

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION  
SERVICE CHANGES, 2011

Docket No. N2012-1

**UNITED STATES POSTAL SERVICE RESPONSE TO NATIONAL ASSOCIATION OF  
PRESORT MAILERS INTERROGATORY (NAPM/USPS-T4—9)**  
(March 26, 2012)

The United States Postal Service provides the institutional response of the Postal Service to the above-listed interrogatory of the National Association of Presort Mailers dated February 17, 2012. The interrogatory is redirected to the Postal Service by witness Neri (USPS-T-4) for an institutional response. The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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March 26, 2012

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REDIRECTED FROM WITNESS NERI

**NAPM/USPS-T4-9.** Please refer to page 33 of your testimony where you state, “[t]he associated benefits would include: Network alignment; a significant improvement in the ability to project and plan for mail volume and arrival; reduced redundancy; fewer mail processing facilities and less equipment; and a leaner, more efficient organization.”

- a. Please provide a detailed explanation of how the Postal Service plans to use data and inventory management control systems, including Full-Service IMb data, to drive production processes to achieve greater efficiencies and utilization.
- b. Please confirm that increases in Full-Service IMb volumes will help the Postal Service “project...mail volume and arrival.” If not confirmed, please explain fully.
- c. Please explain with specificity the Postal Service’s plan for increasing the proportion of mail that is entered with a Full-Service IMb volume, including plans regarding changes in Full-Service IMb discounts and mail preparation requirements. Please provide estimated timelines regarding when each aspect of the plan is expected to be implemented.

**RESPONSE:**

a. The Postal Service plans to use Full Service and IMb data to help control process variation and manage facility inventory. Using these data, the Postal Service aims to measure each segment of the mail processing “life cycle.” The Postal Service expects that it will be able to track the point-to-point movement of mail (by shape and class) through and between Postal Service facilities.

Through this tracking, the Postal Service will have the ability to identify and remove variation that impacts the processing life cycle. At a broader level, it will enable Headquarters and Area managers to identify facilities facing difficulties in advance of critical conditions. At the facility level, it will enable managers to identify variation and bottlenecks and make adjustments to control levels. With the granular information, facility managers will be alerted when mail is not processed within expected processing windows, enabling them to research and

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**RESPONSE to NAPM/USPS-T4—9 (continued):**

recover before mail fails to meet service commitments. Manifest information will enable the Postal Service to more accurately project workload for a given day. These data will inform decisions regarding the number of machines to utilize, combination of zones for each machine, the number of employees needed, the establishment of operation start times, the expected throughput of the mail, and the establishment of operation end, clear, and dispatch times.

b. Confirmed.

c. The Postal Service has a multi-functional strategy to increase Full Service Mail volume. The Postal Service aims to move all current automation mailers into Full Service use by January 2014. In addition, the Postal Service is deploying new tools that will assist the transition to Full Service for many mailers currently mailing machinable mail at non-automation rates.

The Postal Service aims to reevaluate the discounts available to Full Service mailings effective January 2013.

The Postal Service hopes to improve the accessibility of Full Service to small mailers who prepare their own mailings.

The Postal Service has proposed that mailer access to automation discounts using POSTNET barcodes be ended effective January 2013. This change will require current POSTNET users to move to using IMb, and the Postal Service anticipates that many of those mailers will choose to move directly to Full Service use.

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**RESPONSE to NAPM/USPS-T4—9 (continued):**

The Postal Service intends to notify all Permit Mailers regarding new developments affecting IMb use. In addition, it is expected that local Business Mail Entry units will communicate with mailers entering mailings using POSTNET codes and support those mailers in migrating to IMb. The Postal Service continues to enhance its software systems and work with the mailing services software providers to simplify the transition to Full Service.